

<b>Product Profile</b>	
<i>Fund name</i>	Robeco US Premium Equities (USD)
<i>ISIN</i>	LU0226953718 (class D), LU0226954369 (institutional class)
<i>Investment universe</i>	US shares
<i>Benchmark</i>	Russell 3000 Value Index
<i>Base currency</i>	USD
<i>Earnings</i>	Accumulation
<i>Inception date</i>	2005–10–03
<i>Fund volume</i>	USD 68.4 m as of 2005–10–31
<i>Management Fee</i>	1.5% p.a. (class D), 0.8% p.a. (institutional class)
<i>TER</i>	n.a.
<i>Fund manager</i>	Duilio Ramallo, Harry Rosenbluth
<i>Company</i>	Robeco Luxembourg S.A.
<i>Internet</i>	www.robeco.de
<b>Investor's Profile</b>	
<i>Investment horizon</i>	long-term
<i>Risk classification</i>	increased value fluctuations
<i>Return expectation</i>	targeted exploitation of market opportunities
<i>Loss tolerance</i>	lower losses in falling equity markets

## TELOS Comment

Robeco *US Premium Equities (USD)* is a subfund of *Robeco Capital Growth Funds* based in Luxembourg, and part of the *Boston Partners Premium Equity* product family. In this way, an investment product that has been available for years in the US, is being adapted to the European market and made available both as a publicly offered fund and as an institutional mandate. The fund is managed according to the same investment process as the US product and by the existing investment team. Equal treatment to existing funds is technically guaranteed (e.g. by automatic allocation).

The fund's investment approach goes beyond traditional value strategies. First a quantitative screening is performed, in order to effectively cover the very broad investment universe. The subsequent analysis focuses on company balance sheets, which means that the individual securities can be considered and assessed from a broader viewpoint.

The portfolio construction follows the analysts' recommendations and their conviction. The subsequent risk analysis serves mainly as a control instrument for the fund managers to ensure that the investment decisions are in line with the desired characteristics of the fund. In addition to this, the valuation criteria for the individual securities are formalized and aggregated at fund level, giving a good overall picture of the fund and corresponding

to the procedure in the investment approach.

The technical infrastructure is fully integrated, enabling comprehensive risk management and automated monitoring of the investment restrictions. The fund is also monitored by the compliance team. The investment team consists of very well qualified employees, who contribute a broad spectrum of knowledge and experience. Most of them have attained additional qualifications such as CFA or MBA. The two fund managers complement each other well and the investment process benefits from *Harry Rosenbluth's* 24 years and *Duilio Ramallo's* 10 years of experience.

The *Boston Partners Premium Equity* product family distinguishes itself by style consistency when implementing its strategy, which has proved to be successful in the long term. The product family clearly outperformed its benchmark, while being less volatile. The strategy performed better than the benchmark, particularly during periods of falling equity markets. In the three and five-year periods, the Sharpe ratio moves almost exclusively in the positive area. Even though the Sharpe ratio is extremely volatile in the one-year period, the positive swings are clearly predominant.

*Robeco US Premium Equities (USD)* is given a rating of **AA** due to the investment process applied and the investment team supporting it.

## Investment Process

*Robeco US Premium Equities (USD)* is managed by *Boston Partners Asset Management, LLP* (BPAM). Since 2003, BPAM has been part of what is now known as *Robeco Investment Management*, a business unit of *Robeco Groep N.V.* (which belongs to the Dutch *Rabobank Group*) specializing in US institutional clients.

The fund is managed by a team that has been managing US institutional mandates with volume of USD 3.0 billion (as of September 30, 2005) under the name of *Boston Partners Premium Equity* for many years. The fund invests in US equities regardless of their market capitalization. The investment strategy aims to participate in rising equity markets and to limit losses in periods of falling markets. In any case this is inherent to the investment process, only in rare cases derivatives are also taken up. In order to reduce volatility, limited amounts of unlisted securities are acquired. The new fund has tranches in US dollars and, from December, also in euros, each of which are available as D shares and as I shares. The weekly starting point for the investment process is a quantitative analysis of the whole investment universe including the securities in the portfolio - a small but important part of the process. The price trends or developments of the individual shares or companies are the most important part of

this analysis.

The second step involves subjecting selected companies to a fundamental analysis, which focuses less on cash flow and more on a detailed consideration of the balance sheet. This should provide insight on influencing factors for the development of revenues in the near future. Ratios such as cash-flow return on earnings or financial leverage are also considered. The current valuation of a company is then compared with the ratios determined as well as with market data, peer group information and the company's historical data.

If a company is identified as being undervalued, there may be good reasons for not purchasing its shares. However, if the earnings situation (or market earnings forecast) is improving, or if catalysts are present which might cause this to happen, the stock is considered as an investment candidate.

Finally the investment recommendations are presented and analyzed in a joint meeting. On this basis, investment decisions are made and price targets set for individual securities.

Share trading is carried out at a central trading desk. Allocation of implemented orders to individual mandates is fully automated, in order to avoid performance variations.

## Quality Management

Risk management is subordinate to investment decisions and based on a complex factor model. This is used to check whether the fund parameters correspond to expectations or whether adjustments are necessary. In addition to this, the formalized valuation criteria of the individual securities are aggregated at fund level, in order to obtain an overall impression of its characteristics.

Security trades are carried out with selected brokers. Transactions costs are continually monitored and driven down by using discount brokers. All investment restrictions are checked automatically in advance by the order management system in order to ensure that orders comply with regulations. An independent review is also performed by the compliance team.

## Team

Alongside the two fund managers, one in Greenbrae (California), the other in Los Angeles, 19 analysts, mainly in Boston, but also in Los Angeles and Greenbrae, contribute to the investment process. The team members are generally very well qualified and the majority of them have attained additional qualifications such as CFA or MBA. They have experience working at other asset managers or in industry. The salary structures are considered to be attractive and the level of turnover is low. Execu-

tive staff participate in a profit-sharing plan and are hence kept in the company.

The fund managers have many years of investment experience. *Harry Rosenbluth* has been managing portfolios from the *Boston Partners Premium Equity* product family since their introduction in June 1995. Since the beginning of the year, an equal-ranking co-manager, *Duilio Ramallo*, has been sharing the responsibility for this investment process.

## Investment Characteristics

### Important external factors

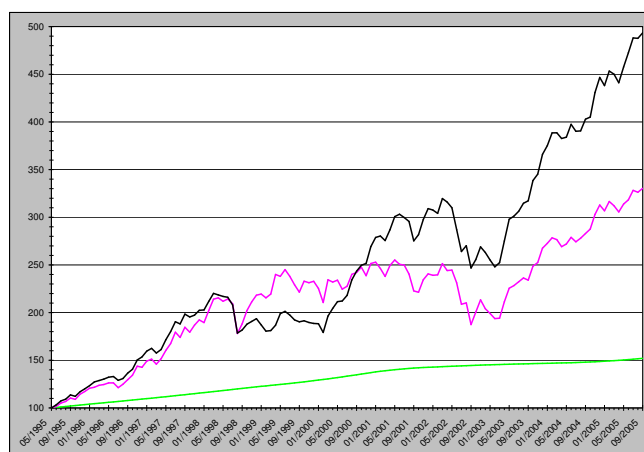
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### Important control factors

Asset selection

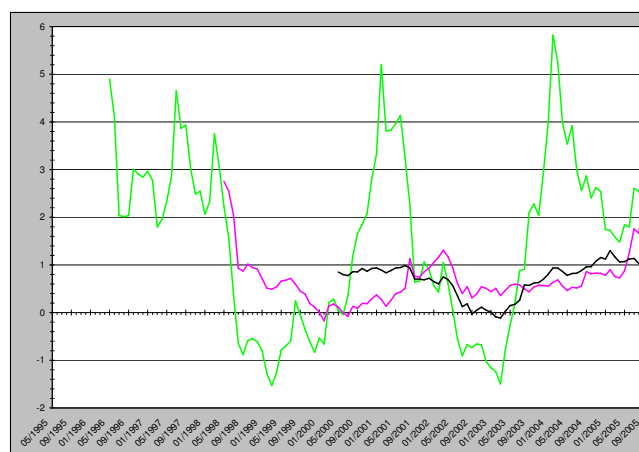
## Product History\*

### Performance



— Fund    — Benchmark    — Money Market

### Sharpe Ratio



— 1 Year    — 3 Years    — 5 Years

<b>Statistics as of 09/2005</b>	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>5 Years</b>	<b>7 Years</b>	<b>10 Years</b>
Performance (annualised)	22.46%	24.70%	25.98%	15.17%	15.34%	15.81%
Volatility (annualised)	8.68%	8.87%	10.45%	12.83%	12.61%	12.70%
Sharpe Ratio	2.27	2.57	2.32	0.99	0.95	0.92
Best monthly result	6.37%	6.68%	8.96%	8.96%	9.61%	9.61%
Worst monthly result	-1.98%	-1.98%	-2.97%	-8.67%	-8.67%	-14.13%
Median of monthly results	2.19%	2.26%	1.88%	1.41%	1.18%	1.50%
Best 12-month result		26.98%	56.65%	56.65%	56.65%	56.65%
Worst 12-month result		15.29%	15.29%	-21.04%	-21.04%	-21.04%
Median of 12-month results		19.67%	25.08%	16.46%	16.70%	19.18%
Maximum loss period	2 M	2 M	4 M	18 M	18 M	28 M
Maximum loss	-2.70%	-2.70%	-7.79%	-22.80%	-22.80%	-22.80%

\* Charts and statistics do not refer to the rated fund but refer to **Boston Partners Premium Equity Composite**.

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## Explanations

### TELOS Rating Scale

AAA	The fund complies with <i>highest</i> quality standards
AA	The fund complies with <i>very high</i> quality standards
A	The fund complies with <i>high</i> quality standards
N	The fund does currently <i>not</i> comply with the TELOS quality standards

The **Product Profile** contains general information on the fund, the investment firm, and the responsible fund manager.

The **Investor's Profile** enables the investor to quickly match his or her expectations with the "official" classification of the product by the investment firm.

The **TELOS Comment** section summarises the main insights of the rating and constitutes an important supplement to the rating grade. The subsequent sections contain descriptive information on the investment process, the quality management, and the responsible team.

The **Investment Characteristics** lists – from the point of view of the fund management – the most important external determinants influencing the performance of the fund, as well as the essential factors employed for its control.

The **Product History** presents – by means of graphs and tables – the development of the fund in comparison with the money market and a benchmark (where appropriate) in respect of performance and risk criteria. All calculations are based on month-end data. Fund data and benchmark data are provided by the investment firm.

The *performance* of the fund is calculated based on reinvested prices: profit distributions are being invested in new shares of the fund immediately. Thereby, the performance of distributing and non-distributing funds is mutually comparable. This approach corresponds to the "BVI method" of performance calculation, advocated by the association of the German investment fund industry.

If the fund management is guided by a *benchmark*, the performance of the latter is shown as well. Otherwise, a suitable comparative index is chosen for il-

lustration purposes – in agreement with the investment firm.

As a measure for the *money market*, the 1-month *LIBID* deposit rate in the fund's base currency is used, calculated via  $LIBID = LIBOR - 0.125\%$ . For periods before 1999, the respective DEM interest rates are used as a predecessor to EUR. Data source: British Bankers' Association; *LIBID(OR)* = London Interbank Bid (Offered) Rate.

The *Sharpe Ratio* provides information about the "excess return" of the fund with regard to a risk-free financial investment – here represented by the money market – as a proportion of the total risk taken:

$$Sharpe\ Ratio = \frac{fund\ return - money\ market\ return}{fund\ volatility}$$

The *volatility* employed here is the annualised standard deviation of the monthly returns.

The *median of monthly results* is characterised by the fact that half of all monthly returns occurring in the observed period are either at least or at most as large as this value. As a result, this measure is less sensitive to "outlier results" than, for instance, the mean (average) value of monthly returns.

In an analogous way, the *median of 12-month results* should be interpreted.

The *longest loss period* is the number of months needed by the fund in order to recover losses by reaching or exceeding a level that had been achieved previously in the period under consideration. If this level could not be reached again, the end of the period is decisive.

Accordingly, the *maximum loss amount* is the largest loss which the fund suffered in the period under consideration – starting from the highest value reached earlier during this period.

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